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Guan Chao Holdings Limited
冠轈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PLACING OF NEW SHARES UNDER GENERAL MANDATE AND CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to the announcements (the "**Announcements**") issued by Guan Chao Holdings Limited (the "**Company**") dated 30 May 2025, 17 June 2025, 20 June 2025, 27 June 2025, 4 July 2025 and 11 July 2025 in relation to the placing by Fortune (HK) Securities Limited of up to 90,195,000 new shares of the Company under the general mandate (the "**Placing**"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcements.

INFORMATION ABOUT THE NET PROCEEDS FROM THE PLACING

According to the Company's announcement dated 17 June 2025, the estimated net proceeds from the Placing are approximately HK$383.96 million after deducting expected expenses (the "**Net Proceeds**"), assuming that all 90,195,000 Placing Shares are successfully placed. The Company intends to clarify the allocation of the Net Proceeds as follows:

(i) approximately HK$74.94 million, representing approximately 20% of the Net Proceeds, to support the business development of Guangzhou Jinghong New Materials Co., Ltd.* (廣州晶鴻新材料有限公司) (the "**Chip Production Business**");

(ii) approximately HK$70 million, representing approximately 19% of the Net Proceeds, for a possible investment in the AIMI Group (the "**Anion Exchange Membrane (AEM) Business**");

(iii) approximately HK$95.59 million, representing approximately 25% of the Net Proceeds, towards the production and distribution of hair growth products (the "**Hair Product Business**");

(iv) approximately HK$47.81 million, representing approximately 12% of the Net Proceeds, to support marketing initiatives for both the Group's existing and prospective business ventures (the "**Marketing Initiatives**"); and

(v) approximately HK$95.62 million, representing approximately 24% of the Net Proceeds, to enhance the Group's working capital for supporting ongoing business operations, administrative needs, and compliance obligations (the "**General Working Capital**").

The Board would like to provide additional information about the Net Proceeds and the reasons and benefits of the Placing.

THE CHIP PRODUCTION BUSINESS

As disclosed in the Company's announcement dated 17 January 2025, the Company and AlphaMind AI Limited ("**AlphaMind AI**"), a wholly owned subsidiary of the Company, have entered into an investment agreement (the "**Investment Agreement**") with Reabon Technology Co., Limited ("**Reabon Tech**") to establish a joint venture. In light of this agreement, the Directors would like to provide an update about the Chip Production Business, covering several key areas, including the latest shareholding structure of the joint venture, the development plan of the business, the management expertise involved, its funding needs with a detailed breakdown and timeline, and the relevant fundraising plan.

The shareholding structure

The shareholding structure of the Chip Production Business is composed of four companies: (i) X Crystal Holdings Limited ("**X Crystal BVI**"), (ii) X Crystal Holdings (HK) Limited, (iii) Shenzhen Aix New Materials Co., Ltd.* (深圳艾克斯新材料有限公司) ("**Shenzhen Aix**"), and (iv) Guangzhou Jinghong New Materials Co., Ltd.* (廣州晶鴻新材料有限公司) ("**Guangzhou Jinghong**").

(i) X Crystal BVI

X Crystal BVI is an investment holding company incorporated in the British Virgin Islands with limited liability on 28 January 2025. As of the date of this announcement, X Crystal BVI is 51% owned by AlphaMind AI and 49% owned by Reabon Tech.

(ii) ***X Crystal Holdings (HK) Limited***

X Crystal Holdings (HK) Limited is an investment holding company incorporated in Hong Kong with limited liability on 28 February 2025. As of the date of this announcement, X Crystal Holdings (HK) Limited is wholly owned by X Crystal BVI.

(iii) ***Shenzhen Aix***

Shenzhen Aix is an investment holding company established in the People's Republic of China (the "**PRC**") with limited liability on 14 March 2025. As of the date of this announcement, Shenzhen Aix is wholly owned by X Crystal Holdings (HK) Limited.

(iv) ***Guangzhou Jinghong***

Guangzhou Jinghong is a company established in the PRC with limited liability on 30 May 2024. As of the date of this announcement, Guangzhou Jinghong is 92.86% owned by Shenzhen Aix and 7.14% owned by its founding shareholder.

Guangzhou Jinghong is the main operating subsidiary of the Chip Production Business. As of the date of this announcement, Guangzhou Jinghong specializes in producing lithium niobate crystals (鈮酸鋰晶體) and lithium niobate thin films (鈮酸鋰薄膜（晶片）). These materials are essential foundations for modern communication technologies. The Directors would like to clarify that lithium niobate crystals are semi-finished products in the manufacturing process, while lithium niobate wafers are the finished products, created by cutting, grinding, and polishing the lithium niobate crystals.

As of the date of this announcement, Guangzhou Jinhong has not commerced business operations. Guangzhou Jinhong is currently developing its initial production line.

Development plan

As disclosed in the Company's announcement dated 17 January 2025, Guangzhou Jinghong aims to achieve an annual production capacity of 50,000 niobate wafers during the initial phase. In the second phase, the focus will shift to increasing this production capacity to between 80,000 and 100,000 units. The Directors would like to clarify that the mentioned production capacity target specifically refers to lithium niobate thin films (鈮酸鋰薄膜（晶片）).

In the Company's announcement dated 14 February 2025, it was disclosed that a loan of RMB26 million will be secured in the first quarter of 2025. This financing is contingent upon meeting specific conditions outlined in the Investment Agreement, including a shareholder's loan of RMB4 million from Mr. Wang Hao Xu ("**Mr. Wang**"), the legal representative of Guangzhou Jinghong. Additionally, a second loan of RMB7 million is planned for the third quarter of 2025, which is also subject to conditions specified in the Investment Agreement, including a shareholder loan of RMB4 million from Reabon Tech. Both loans were planned to be financed using the Company's internal resources.

Further disclosed in the Company's announcement dated 14 February 2025, it was stated that the capital requirements for the first and second phases are approximately RMB40 million and RMB10 million, respectively.

The Directors are pleased to announce that, as of this announcement, the Company has contributed RMB26 million to Guangzhou Jinghong through X Crystal BVI. This contribution follows the fulfillment of all conditions outlined in the Investment Agreement regarding capital contributions, including a loan of RMB4 million from Mr. Wang which has been granted to Guangzhou Jinghong. As of this announcement, these funds have been fully utilised to acquire essential equipment and renovate the production facility for the first phase production line.

The Directors would like to clarify that the budget allocation for the first and second phases have been revised to approximately RMB61.3 million (equivalent to approximately HK$67.36 million) and RMB40.9 million (equivalent to approximately HK$44.94 million), respectively.

Please see the table below detailing the contribution allocation from each party, either through capital contributions or financial assistance, to Guangzhou Jinghong for the development of the production line in the first and second phases:

	The first phase	**The second phase**	**Total**
	RMB	*RMB*	*RMB*
The Company	53,300,000	40,895,000	**94,195,000** *(Note)*
Mr. Wang	4,000,000	–	**4,000,000**
Reabon Tech	4,000,000	–	**4,000,000**
Total	**61,300,000**	**40,895,000**	**102,195,000**

Note: For avoidance of doubt, out of the total allocation of RMB94,195,000, RMB26 million has been provided to Guangzhou Jinghong as of the date of this announcement, with an additional RMB7 million will be provided in accordance with the Investment Agreement. This leaves a remaining balance of RMB61,195,000, which may be offered as financial assistance through a shareholder loan. Such financial assistance may have implications under Chapter 14 and Chapter 14A of the Listing Rules at the time of signing the definitive agreement(s). If this situation arises, the Company is committed to meeting the necessary notification, announcement, and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

As noted above, the Company's total estimated contribution is approximately RMB94,195,000 (equivalent to approximately HK$103.51 million). As of the date of this announcement, RMB26 million (equivalent to approximately HK$28.57 million) has been contributed as mentioned above. The remaining balance of RMB68,195,000 (equivalent to approximately HK$74.94 million) will be provided through the utilization of the Net Proceeds.

As explained in the section titled "ADDITIONAL REASONS AND BENEFITS OF THE PLACING," the Group is dedicated to conserving cash resources to strengthen its core motor vehicle business, especially given the shifting geopolitical landscape. Nonetheless, the strong market demand for the products offered by Guangzhou Jinghong reinforces confidence in proceeding with this initiative. Consequently, the Group has made a strategic decision to accelerate the development of the second-phase production line for Guangzhou Jinghong. To ensure the successful continuation of this project, the Board has decided to proceed with the Placing to address the financing needs of Guangzhou Jinghong.

As of the date of this announcement, the Company would like to provide an update on the progress of the initial phase of Guangzhou Jinghong's production line, which is currently under construction. All essential equipment has been successfully delivered, installed, and thoroughly tested to ensure it meets optimal performance standards.

Additionally, Guangzhou Jinghong has provided sample outputs to potential customers for evaluation. After gathering their feedback, which the Group expects to be positive, Guangzhou Jinghong will move forward to mass production. This transition will require an additional capital investment of RMB27.3 million (equivalent to approximately HK$30 million) for the procurement of necessary raw materials and polishing equipment.

Given this current progress, the Group expects the production facility to be completed by July 2025, with the first batch of lithium niobate thin films anticipated to commence production and trading in August 2025.

Product demand

The Directors are pleased to announce that, as of the date of this announcement, Guangzhou Jinghong has obtained non-binding intentions from three domestic enterprises. This development allows Guangzhou Jinghong to achieve an initial production capacity of 50,000 lithium niobate thin films. Following the testing of samples from Guangzhou Jinghong, both parties will enter into definitive agreements. These agreements are expected to be finalized in the third quarter of 2025, with product delivery and transaction completion anticipated to generate income for the Group in the fourth quarter of 2025.

Management expertise

As disclosed in the Company's announcement dated 14 February 2025, the Directors do not possess the necessary expertise to operate the Chip Production Business. Nevertheless, the Board wishes to highlight the proactive measures taken to address this concern, including engaging Mr. Wang, Mr. Zhu Zhinong ("**Mr. Zhu**"), and Mr. Shen Xuming ("**Mr. Shen**", collectively, the "**Founders**") as the primary management team of the project companies. For details of the biographies of the Founders, please refer to the Company's announcement dated 14 February 2025.

Funding needs

As mentioned above, the capital contribution to Guangzhou Jinghong was entirely allocated for fixed asset investments, including equipment and decoration, during the initial phase. As a result, the remaining funds are insufficient to cover essential expenses such as rent, utilities, and purchasing raw and auxiliary materials.

According to the financial budget forecast for Guangzhou Jinghong, total expenditures for rent, utilities, and raw material inventory are projected to be approximately RMB18.2 million (equivalent to approximately HK$20 million) in the second half of 2025. Additionally, to enhance production capabilities, a polishing machine must be acquired as part of the initial phase of the Enterprise Resource Planning (ERP) system, which is estimated to cost RMB9.10 million (equivalent to approximately HK$10 million). Therefore, having considered that the RMB4 million contribution from Reabon Tech will be allocated towards general operational expenses, which include staff wages and other essential expenditures, securing an additional RMB27.30 million (equivalent to approximately HK$30 million) in funding is essential to meet these requirements.

Furthermore, to meet the increasing demand for lithium niobate thin films, the Group plans to build additional production facilities as part of the second phase in 2025. Initially, as stated in the Company's announcement on 14 February 2025, a budget of RMB10 million was expected to be sufficient for this development phase. However, after reviewing bids from contractors and assessing the construction costs from the initial phase, the Group's management has concluded that a total of RMB40.9 million (equivalent to approximately HK$44.94 million) will be required.

As a result, the total capital requirement will amount to RMB36.4 million (equivalent to approximately HK$40 million) for the second phase, which will be allocated as follows:

(i) approximately RMB12.7 million (equivalent to approximately HK$14 million) for the acquisition of a new polishing machine and a chamfering machine;

(ii) approximately RMB2.73 million (equivalent to approximately HK$3 million) for two new thinning machines and two new grinding machines;

(iii) approximately RMB5.46 million (equivalent to approximately HK$6 million) for three new cutting machines;

(iv) approximately RMB7.28 million (equivalent to approximately HK$8 million) for two new testing machines;

(v) approximately RMB5.46 million (equivalent to approximately HK$6 million) for several new crystal growth and blackening machines; and

(vi) approximately RMB2.73 million (equivalent to approximately HK$3 million) for new computers and auxiliary equipment.

For the remaining RMB4.5 million (equivalent to approximately HK$4.94 million), the Company plans to invest in the following manner:

(i) approximately RMB2.64 million (equivalent to approximately HK$2.9 million) will be allocated towards hiring technical experts to enhance research and development efforts;

(ii) approximately RMB910,000 (equivalent to approximately HK$1 million) will be allocated for the rental of equipment at the foreign cooperative factory, which is essential for conducting technical testing;

(iii) approximately RMB819,000 (equivalent to approximately HK$900,000) will be allocated in the acquisition of auxiliary materials necessary for our operations; and

(iv) approximately RMB127,400 (equivalent to approximately HK$140,000) will be allocated to support the wages of production staff.

The Net Proceeds designated for the second production phase are anticipated to be utilized in the first half of 2026, while the remaining allocation will be employed in 2025.

The Group expects the second-phase production facility to be completed by the first quarter of 2026, with the lithium niobate thin films anticipated to commence production and trading in the fourth quarter of 2026.

Fundraising plan

According to the Company's announcement, the second capital contribution of RMB7 million is anticipated to be made in the third quarter of 2025, utilizing internal resources. The Directors wish to provide an update indicating that the conditions for this capital contribution are expected to be fulfilled as planned. However, in light of the Group's management's intention to retain existing cash resources for the motor vehicle business, the Company intends to raise capital through equity financing to meet these additional funding requirements.

Allocation of Net Proceeds to the Chip Production Business

The Company intends to allocate HK$74.94 million by way of financial support to the Chip Production Business.

As mentioned above, the Company plans to invest an additional RMB27.3 million (equivalent to approximately HK$30 million) of the Net Proceeds to enhance the first phase of its production line. The contribution of these funds is outlined as follows:

(a) RMB7 million (equivalent to approximately HK$7.69 million) will be allocated to finance the obligations associated with the second loan, as outlined in the Investment Agreement;

(b) RMB9.1 million (equivalent to approximately HK$10 million) will be allocated to the purchase of new imported wafer polishing equipment;

(c) RMB9.1 million (equivalent to approximately HK$10 million) will be allocated for auxiliary materials and consumables required throughout production. This includes items such as diamond wire, polishing liquid, grinding liquid, screen printing glue, and blackening glue; and

(d) the remaining RMB2.1 million (equivalent to approximately HK$2.31 million) will be allocated for daily operational expenses, which include the ERP system, rent, and electricity.

For the allocation of the remaining RMB40.9 million (equivalent to approximately HK$44.94 million) which is allocated for the second phase of production line, please refer to the details outlined in the "Funding needs" subsection above.

THE AEM BUSINESS

As stated in the Company's circular dated 25 September 2024, approximately HK$17.07 million is allocated to develop the AEM Business by establishing a joint venture. Considering this information, the Directors would like to provide clarification and an update on the AEM Business.

Update on the joint venture

The Directors would like to provide a detailed overview of the timeline of events regarding the establishment of the joint venture and its current status as of the date of this announcement, which is summarised below:

(i) on 26 June 2024, the Company and HYD Capital Limited (an investment holding company incorporated in the British Virgin Islands with limited liability) entered into a non-legally binding memorandum setting out the foundational terms for establishing a joint venture. Following this, an application for incorporation was submitted, specifying that SEV New Energy Company Limited, a wholly owned subsidiary of the Company, would hold a 51% ownership stake in the joint venture, while HYD Capital Limited would hold a 49% stake;

(ii) on 18 July 2024, the joint venture AIMI Investments Limited ("**AIMI Investments**") was officially incorporated;

(iii) following the incorporation of AIMI Investments, discussions were initiated between the Company and HYD Capital Limited from August 2024 to November 2024 to address the project's capital requirements. The discussions were focused on the allocation of contributions from each party, the relevant timelines, and the implications under the Listing Rules;

(iv) during the discussions, it was understood that a portion of HYD Capital Limited's contribution would include assets or know-how provided in kind. To ensure the legitimacy of this contribution, the Company requested a valuation to assess the value of these assets or know-how accurately;

(v) based on the results of the discussions, Nantong Hefan was facing urgent funding needs and could not wait for the completion of the necessary valuation and compliance processes for the Company due to the project timeline. Meanwhile, the Company agreed that any capital contributions would only be made if the development of the AEM electrolyser system was ready for testing and could demonstrate the feasibility of launching the system. As a result, both parties have mutually agreed to terminate their joint venture arrangement. Nantong Hefan would seek alternative financing options to support the ongoing development of the project;

(vi) by the end of 2024, Mr. Jin Zhehui, an executive Director, facilitated an introduction between the Company and Infinity Energy Solutions Ltd., an entity ultimately owned by an Independent Third Party with a keen interest in participating in the project investment. Subsequently, the Company completed the transfer of its 51% equity interest in AIMI Investments to Infinity Energy Solutions Ltd. (the "**Equity Transfer**");

(vii) in January 2025, in response to the financial requirements of Nangton Hefan and following a comprehensive assessment of investment risk and return, the Company agreed to provide debt financing to Infinity Energy Solutions Ltd. for interest return. This funding would be allocated to Nangton Hefan and would be secured by an equity pledge;

(viii) on 24 January 2025, the Group provided financial assistance totaling HK$17 million to Infinity Energy Solutions Ltd (the "**Financial Assistance**"). This arrangement features an annual interest rate of 7%, with a maturity date set for 23 January 2026. As a condition for this financing, Infinity Energy Solutions Ltd. has pledged a 51% equity interest in AIMI Investments as collateral. As of the date of this announcement, the outstanding loan balance stands at HK$5 million, with HK$12 million having already been repaid to the Group;

(ix) in May 2025, AIMI Investments' management provided an update on the development of the AIMI electrolysis system. They reported that substantial progress has been achieved, and a prototype of the system has been successfully created for trial testing; and

(x) on 22 May 2025, Infinity Energy Solutions Ltd. and the Company entered into a non-legally binding memorandum of understanding, which outlines the intention of the Company to conduct due diligence and valuation to assess the development progress and the value of the AIMI Group. This process will serve to facilitate and clarify the terms of the prospective investment.

The Company would like to clarify further that, as the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Financial Assistance and the Equity Transfer are less than 5%, therefore both the Financial Assistance and the Equity Transfer did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

Below are the summarised details of the AEM Business.

Shareholding structure of the AIMI Group

The shareholding structure of the AIMI Group is composed of four companies: (i) AIMI Investments Limited, (ii) Aurora Hydrogen Energy Limited, (iii) Jiangsu Kaichen Energy Co., Ltd.* (江蘇凱辰能源有限公司), and (iv) Nantong Hefan Energy Technology Co., Ltd* (南通禾帆能源科技有限公司) (“**Nantong Hefan**”):

(i) AIMI Investments Limited

AIMI Investments is an investment holding company incorporated in the British Virgin Islands with limited liability on 18 July 2024. As of the date of this announcement, AIMI Investments is owned 51% by Infinity Energy Solutions Ltd. and 49% by HYD Capital Limited.

(ii) Aurora Hydrogen Energy Limited

Aurora Hydrogen Energy Limited is an investment holding company incorporated in Hong Kong with limited liability on 26 August 2024. As of the date of this announcement, Aurora Hydrogen Energy Limited is wholly owned by AIMI Investments.

(iii) Jiangsu Kaichen Energy Co., Ltd.

Jiangsu Kaichen Energy Co., Ltd. is an investment holding company established in the PRC with limited liability on 24 September 2024. As of the date of this announcement, Jiangsu Kaichen Energy Co., Ltd. is wholly owned by Aurora Hydrogen Energy Limited.

(iv) Nantong Hefan

Nantong Hefan is a company established in the PRC with limited liability on 17 June 2024. As of the date of this announcement, Nantong Hefan is wholly owned by Jiangsu Kaichen Energy Co., Ltd..

Nantong Hefan is the main operating subsidiary of the AIMI Group. As of this announcement, Nantong Hefan specialises in selling advanced AEM water electrolysis equipment for hydrogen production. Its primary products include a variety of AEM water electrolysis systems, AEM electrolyzer systems, and AEM water electrolysis single-cell testing devices.

Financial information about Nantong Hefan

According to the latest unaudited management accounts for Nantong Hefan as of 31 May 2025, the total assets of Nantong Hefan amount to approximately RMB10.5 million, with a net asset value of approximately RMB10.3 million. Notably, approximately RMB7.94 million of these total assets consist of cash and cash equivalents, while the remaining funds are referred to the property, plant, and equipment and payment in advance related to the production line.

As of this announcement, Nantong Hefan is initially constructing a production line for the 50 m^3 industrial-grade AEM electrolyzer. Accordingly, its business operations have not yet commenced.

Development plan

As of the date of this announcement, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Company is pleased to report that Nantong Hefan has attained the prototype stage in the research, design, and development of a 50 m^3 AEM electrolyzer. Following successful trial production and testing, which yielded satisfactory results, Nantong Hefan will proceed with the launch of the AEM electrolyzer. It is committed to achieving its mid-term goal of constructing 400 AEM electrolysers, each with a capacity of 50 m^3.

This initiative will be implemented in three distinct stages to ensure efficiency and effectiveness throughout the process:

(i) The first stage involves completing a maximum of 10 sets of 50 m^3 AEM electrolyzer prototypes, which will be used for product testing as preparation for formal mass production.

    The estimated budget required for the production of each AEM electrolyzer prototype is approximately RMB2.73 million. Please find below a detailed breakdown of the anticipated costs associated with the production of a single prototype:

    (a) the procurement of raw materials and components necessary to produce membrane electrodes is projected to cost approximately RMB200,000;

    (b) the acquisition of auxiliary systems essential to produce the electrolyzer is estimated at approximately RMB300,000:

    (c) the procurement of raw materials and parts for assembly, which includes AEM membranes, metal components, and sealing components, is expected to cost approximately RMB230,000: and

(d) the allocation of fixed operational expenses, including but not limited to staff wages, water and electricity consumption, renovation costs, and cable and equipment installation costs, are estimated to amount to approximately RMB2 million.

Therefore, to manufacture 10 sets of 50 m^3 AEM electrolyzer prototypes, a total investment of RMB27.3 million (equivalent to approximately HK$30 million) is projected.

(ii) The second stage aims to complete a mass production pilot for 40 sets of 50 m^3 AEM electrolysers per year, with a budget of RMB36.4 million (equivalent to approximately HK$40 million).

Due to economies of scale, the estimated budget for the mass production of each AEM electrolyzer prototype will be revised to approximately RMB910,000. Below is a detailed breakdown of the projected costs associated with producing a single prototype:

(a) the procurement of raw materials, components, and auxiliary systems necessary to produce membrane electrodes and the electrolyzer are estimated at a total of approximately RMB500,000;

(b) the procurement of raw materials and parts for assembly, which includes AEM membranes, metal components, and sealing components, is expected to cost approximately RMB230,000; and

(c) the allocation of fixed operational expenses, including but not limited to staff wages, water and electricity consumption, renovation costs, and cable and equipment installation costs, is estimated to amount to approximately RMB180,000.

Therefore, to manufacture 40 sets of 50 m^3 AEM electrolyzer prototypes, a total investment of RMB36.4 million (equivalent to approximately HK$40 million) is projected.

(iii) The third stage is establishing an annual production line capable of producing 400 AEM electrolysers of 50 m^3, with a preliminary budget of RMB200 million (equivalent to approximately HK$220 million).

Based on the progress made, the official launch of the 50 m^3 electrolyser is expected to take place in early 2026.

If expansion into the third stage is deemed necessary, financing will primarily come from the profits generated by Nantong Hefan, supplemented by secured bank loans, using the equipment as collateral if needed.

Management expertise

The Directors recognise that they lack the necessary expertise to operate the business. However, if the investment proceeds, the Group plans to formalise a shareholders' agreement with the existing shareholders of the AIMI Group (as defined below). This agreement will outline specific rights for the Group to exert control over the business and establish conditions requiring key management personnel, specifically, Mr. Chen Yicheng (陳亦呈), Mr. Kong Xiangbin (孔祥彬), and Mr. Yao Hong (姚宏), who are also the founders, to remain in their positions for a predetermined period. This strategy is designed to ensure smooth operations that align with the Group's strategic objectives.

Below are the details of the biographies of each of Mr. Chen Yicheng, Mr. Kong Xiangbin, and Mr. Yao Hong:

(i) Mr. Chen Yicheng serves as the legal representative of Nantong Hefan, a key subsidiary of the AIMI Group. He holds a degree from St. Mary's University in Canada and possesses nearly a decade of experience in managing large-scale energy projects. His professional background includes positions at publicly traded companies within the energy sector, including a notable energy technology firm and a new energy holding company. In his previous roles, Mr. Chen Yicheng has been primarily responsible for investment and financing planning, as well as operational optimization of various energy projects, including photovoltaic power stations, energy storage systems, and battery swap stations. He has played a pivotal role in the successful implementation of numerous key projects. With his profound industry insight, extensive practical experience, and strong capabilities in resource integration, Mr. Chen Yicheng exemplifies exceptional leadership and vision in the field of energy project management.

(ii) Mr. Kong Xiangbin serves as the research and development (R&D) director at Nantong Hefan. He is a seasoned R&D engineer, holding a master's degree from Nankai University. With a robust background in materials research and development, he specializes in electrocatalysis and has contributed significantly to the field through the publication of 6 SCI research papers. Previously, Mr. Kong Xiangbin held the position of head of the chip resistor R&D and reliability laboratory at Yageo Electronics (China) Co., Ltd. Currently, Mr. Kong Xiangbin is leading the AEM electrolyzer R&D project, concentrating on three critical technical aspects: catalyst design, optimization of the membrane electrode process, and optimization of electrolyzer structure. His expertise and leadership are instrumental in advancing the company's research initiatives and technological innovations.

(iii) Mr. Yao Hong currently serves as Deputy Director of Development at Nantong Hefan. He is a senior structural design engineer with a degree from Qiqihar University. Throughout his master's studies, Mr. Yao Hong distinguished himself by publishing several academic papers as the first author in reputable journals within the field of chemical engineering. With extensive expertise in both chemical and structural engineering design, Mr. Yao Hong has effectively led project teams at a research institute affiliated with the Beijing Institute of Technology. His leadership was instrumental in advancing core technology research on AEM electrolyzers, transitioning this work from scientific inquiry to industrial application. This effort encompassed the complete process of structural design, system integration, and the development of supporting equipment for hydrogen production. As a direct result of his team's work, several core patent technologies were successfully developed.

Investment plan

As stated in the Company's announcement dated 22 May 2025, the Company indicated that an independent valuer performed a preliminary assessment of the market value of the AIMI Group. This assessment estimated the value to be no less than HK$200 million, employing the income approach and the discounted cash flow method.

To ensure the accuracy of the market value for the AIMI Group, the Company will undertake comprehensive due diligence on financial and legal aspects. Additionally, a review of the forecasts prepared by the AIMI Group, along with their underlying assumptions, will be conducted. The Company will also engage another professional valuer to perform a second valuation. This valuation is intended to confirm the market value, which will likely be instrumental in determining the appropriate subscription amount for the AIMI Group.

The planned investment is anticipated to be executed through the subscription of new shares in AIMI Investments Limited, which aims to inject new capital into the AIMI Group for developmental initiatives. After recent discussions with AIMI Investments shareholders, the Company intends to secure an equity interest of at least 50% in AIMI Investments following the allotment and issuance of subscription shares. Furthermore, if the investment proceeds, the Company plans to appoint a majority of representatives to the board of AIMI Investments. This strategic decision will ensure that the subscription funds are managed by the Company and used in accordance with the established objectives. Furthermore, it will enable oversight of all financial and commercial decisions made thereafter, ensuring diligence and accountability. This approach aims to minimise investment risk and protect the investment's value through thorough monitoring. It is important to note that the ultimate equity interest acquired by the Company will be contingent upon the outcomes of the forthcoming valuation and the negotiations with the shareholders of the AIMI Group.

It is anticipated that the potential investment in the AIMI Group will be finalized in the second half of 2025. In the event that the Company chooses not to proceed with the investment in the AIMI Group, or if the investment amount falls short of the designated figure derived from the Net Proceeds, the Company may explore the option of providing financial assistance to the AIMI Group. This assistance would be subject to specific conditions and oversight regarding the utilization of the funds, ensuring that the Company's interests are adequately safeguarded. Alternatively, the Company may allocate the available funds to bolster the existing motor vehicle business of the Group as a cash reserve.

As of the date of this announcement, no formal agreement has been made regarding the potential investment in AIMI Investments Limited. Should there be any updates regarding this investment or such an investment constitutes a notifiable transaction as defined under Chapter 14 of the Listing Rules, the Company will publish announcements as soon as possible, in accordance with the applicable Listing Rules.

Allocation of Net Proceeds to the AEM Business

The Company intends to allocate HK$70 million to the AEM business. Of this allocation, approximately HK$60 million is designated for settling the consideration associated with the potential investment in the AIMI Group, and HK$10 million is designated to provide additional financial support to the AIMI Group via a shareholder loan. These funds will be utilized by Nantong Hefan for the budget for the first and second stages of construction for the production line, as detailed in the section titled "Development plan" above, particularly, the financial support of RMB10 million will be provided in the second phase of production.

The financial support of RMB10 million provided by the Company to the AIMI Group may have implications under Chapter 14 and Chapter 14A of the Listing Rules at the time of signing the definitive agreement(s). If this situation arises, the Company is committed to meeting the necessary notification, announcement, and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Net Proceeds allocated to the AEM Business are anticipated to be fully utilised in 2025.

THE HAIR PRODUCT BUSINESS

Reference is made to the Company's announcement dated 26 May 2025 in relation to a voluntary update on the latest business development of the Group (the "**Voluntary Announcement**"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Voluntary Announcement.

On 26 May 2025, the Group entered into three definitive agreements:

(i) the Trademark License Agreement, which grants the Group exclusive global rights to use the "Groland" trademark (the "**Trademark**");

(ii) the Lizi Exclusive Authorization Agreement, which provides the Group with an exclusive license and sublicense rights for the XTP-016 License Rights; and

(iii) the Jingtai Exclusive Authorization Agreement which provides the Group with an exclusive license and sublicense rights for the XTP-118 License Rights.

Information about the Trademark and the hair growth products

The Trademark is officially registered under the name of Shenzhen Lizi Ruiya. As of the date of this announcement, hair growth products associated with the Trademark (specifically, the first-generation products developed using the XTP-016 License Rights (the "**1st-Generation Products**")) have been launched on the market. These products are primarily available through reputable online shopping platforms, including the Douyin e-commerce platform and the WeChat Youzan Mall.

The 1st-Generation Products include essential oil for hair growth, shampoo, and nutritional supplement capsules for hair. The Group plans to develop a new line of products, referred to as the "**2nd-Generation Products**". This new line will build upon the core ingredient found in the 1st-Generation Products, specifically peptide XTP-016, and will be enhanced with an additional peptide, XTP-118, as authorised under the XTP-118 License Rights. This strategic initiative aims to activate hair follicle stem cells, promote hair regeneration, and facilitate hair growth, to significantly improve the effectiveness of products in addressing hair loss.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, as of the date of this announcement, Shenzhen Jingtai Technology Co., Ltd. is the registered owner of the XTP-016 and the XTP-118 License Rights.

Business plan

Before the successful launch of the 2nd-Generation Products, the Group intends to implement a comprehensive plan for the mass production and distribution of the 1st-Generation Products to the market.

To produce the 1st-Generation Products, the Group primarily sources raw materials from reputable global and domestic suppliers. Once the raw materials are acquired, the Group selectively partners with established ODM/OEM providers for manufacturing, tailored to its specific requirements.

The Group strategically plans to market its products through a comprehensive sales network that integrates offline and online channels. The offline channels include: (i) sales to medical beauty institutions and hair transplant clinics; (ii) sales to upscale beauty retail stores; and (iii) sales through offline distributors. The online channels are designed to utilize e-commerce platforms, including the Douyin e-commerce platform (抖音電商), the Taobao Tmall flagship store (淘寶天貓旗艦店), Xiaohongshu seeding (小紅書種草), and various private domain traffic pools.

As of the date of this announcement, the development of the 2nd-Generation Products is on track. The product positioning and formula design have been completed. Based on the current progress, it is anticipated that the 2nd-Generation Products will be officially launched in September 2025. Initially, the 2nd-Generation Products will be introduced to the Chinese market through cross-border e-commerce, while simultaneously promoting online and offline sales in overseas markets.

Management expertise

The Company recognises that the Board lacks the necessary expertise to manage operations in the Hair Product Business. To address this gap, the Group engaged Mr. Li Lin (黎林) ("**Mr. Li**"), who possesses significant expertise in this field. The biography of Mr. Li is provided below:

Mr. Li holds a master's degree in economics from Xiamen University and has a fund practitioner qualification certificate. Mr. Li exemplifies strong market ethics and has extensive experience in primary and secondary market investments, particularly in the consumer goods industry. His background includes significant expertise in entrepreneurship and the incubation of early-stage projects in the biotechnology and health consumer product sectors. While Mr. Li has no background in biotechnology or market operations, he possesses a robust skill set in company management, product development, and marketing. In particular, Mr. Li is a key investor and participant in collaborations with important partners both upstream and downstream, including Shenzhen Jingtai, Hangzhou Yuetai Technology Co., Ltd. (杭州悅泰科技有限責任公司), and Shenzhen Lizi Ruiya. His expertise is crucial in facilitating and coordinating partnerships with these organizations.

Mr. Li is essential in developing the Group's hair growth project. Having invested in Shenzhen Jingtai during its early stages, Mr. Li has built strong relationships with the management team, particularly in the research and development (R&D) department. His contributions have been vital in advancing the development of hair growth ingredients and ensuring the efficient progress of the Group's product initiatives. Furthermore, Mr. Li's involvement is anticipated to significantly enhance cooperation with Shenzhen Jingtai and other prospective R&D institutions, promoting product iteration and upgrades with increased efficiency. His early investment in Shenzhen Jingtai allowed him to play an integral role in team development and the management system's design.

The Company is confident that Mr. Li can effectively integrate resources from various stakeholders and foster strong relationships. His expertise will enable the Group to establish a comprehensive framework for managing the Hair Product Business growth project and coordinating the operations team efficiently.

Apart from Mr. Li's management, Shenzhen Jingtai is committed to providing ongoing support to the Group's business through regular reviews to facilitate achieving and enhancing the Group's established sales targets.

Ongoing support from Shenzhen Jingtai

By leveraging its relationship with the Group, Shenzhen Jingtai will provide ongoing support in the following areas:

(i) actively pursuing scientific exploration of innovative hair growth mechanisms, developing new molecules aimed at these targets, and conducting clinical efficacy and safety tests to facilitate the advancement of next-generation products;

(ii) assisting in the enhancement and optimization of existing product formulations;

(iii) partnering in various promotional initiatives with a focus on professionalism, including academic promotions and coordinated online and offline marketing efforts; and

(iv) fully integrate and share Jingtai's governmental, commercial, and financial resources related to hair growth and daily chemicals while promoting active collaboration.

Shenzhen Jingtai is committed to providing ongoing support to the Group during the term of the Lizi Exclusive Authorization Agreement and the Jingtai Exclusive Authorization Agreement. After these agreements are completed, the Group plans to establish a collaboration agreement that will include a profit-sharing mechanism. This strategic initiative aims to ensure the successful and efficient execution of the project as intended.

Allocation of Net Proceeds to the Hair Product Business

The Company intends to allocate HK$95.59 million to the Hair Product Business. Below is the detailed breakdown of how the proceeds will be used:

(i) approximately HK$5.76 million will be allocated for payment of license fees under the Trademark License Agreement. According to the Trademark License Agreement, the first installment of the license fees, totaling RMB400,000 (equivalent to approximately HK$440,000), is due on or before 31 May 2025. As of this announcement, the Company has not yet made this initial payment, resulting in the Trademark license being currently invalid. However, the Company and the licensor have mutually agreed that this initial payment will be handled after the Completion. As a result, the licensor will not hold the Company liable for any delays in making this payment;

(ii) approximately HK$17.28 million will be allocated for payment of license fees under the Lizi Exclusive Authorization Agreement. According to the Lizi Exclusive Authorization Agreement, the first installment of the license fees, totaling RMB1.2 million (equivalent to approximately HK$1.32 million), is due on or before 31 May 2025. As of this announcement, the Company has not yet made this initial payment. However, the Company and the licensor have mutually agreed that this initial payment will be handled after the Completion. As a result, the licensor will not hold the Company liable for any delays in making this payment;

(iii) approximately HK$37.44 million will be allocated for payment of license fees under the Jingtai Exclusive Authorization Agreement. According to the Jingtai Exclusive Authorization Agreement, the first installment of the license fees, totaling US$800,000 (equivalent to approximately HK$6.2 million), is due on or before 31 May 2025. As of this announcement, the Company has not yet made this initial payment. However, the Company and the licensor have mutually agreed that this initial payment will be handled after the Completion. As a result, the licensor will not hold the Company liable for any delays in making this payment;

(iv) approximately HK$15 million procurement of raw materials necessary for producing a hair-growth product.

After the management team conducted a comprehensive business forecast evaluating the market sales performance of the 1st-Generation Products, the Company established a combined sales target of RMB300 million for both the 1st-Generation Products and the 2nd-Generation Products. It is anticipated that RMB50 million will be achieved in the financial year 2025, while RMB250 million is projected for the financial year 2026. This target includes a requirement to sell 300,000 sets of both the 1st-Generation Products and the 2nd-Generation Products simultaneously.

Each product set will include one essential oil for hair growth, one shampoo, and one capsule of nutritional supplements. Each set's estimated total manufacturing cost, for both the 1st-Generation Products and the 2nd-Generation Products, is approximately HK$50, covering expenses related to raw materials, formulation processing, and outer packaging design. Therefore, the estimated cost to meet the sales target is approximately HK$15 million.

(v) approximately HK$12 million for the estimated warehousing and express logistics costs.

The product will be introduced to the Chinese market through cross-border purchases, which will involve the utilization of bonded warehousing and express logistics services. The expected warehousing and logistics cost is HK$40 per product set. To achieve the targeted sales volume of 300,000 sets, the total projected cost would amount to approximately HK$12 million.

(vi) the remaining of approximately HK$8.11 million for marketing and promotional efforts across online platforms. This includes payments to Douyin e-commerce platform (抖音電商), the Taobao Tmall flagship store (淘寶天貓旗艦店), Xiaohongshu seeding (小紅書種草) with an average investment of approximately HK$2.7 million allocated to each platform.

The Net Proceeds allocated to the Hair Product Business are anticipated to be fully utilised in the first half of 2026.

ALLOCATION OF OTHER NET PROCEEDS

The Company intends to allocate (i) approximately HK$47.81 million of the Net Proceeds to support the Marketing Initiatives; and (ii) approximately HK$95.62 million of the Net Proceeds, for General Working Capital. Below is the detailed breakdown of how the proceeds will be used:

The Marketing Initiatives

Out of the total proceeds for Marketing Initiatives, (i) approximately HK$23.90 million will be dedicated to expanding the Group's sales channels. This initiative involves recruiting additional e-commerce sales personnel to enhance the Group's online presence and increasing its investment in advertising and acquiring various service packages from e-commerce and social media platforms; and (ii) approximately HK$23.91 million will be allocated to marketing activities for the Group's brands, services, and products. This will include organizing offline events, such as makeup shows and product launches, to promote the Group's offerings further and engage with the target audience.

The Directors would like to clarify that 30% (approximately HK$14.34 million) and 70% (approximately HK$33.47 million) of the funds designated for Marketing Initiatives are related to the Group's motor vehicle business and the Chip Production Business respectively. The Group plans to expand its motor vehicle operations into several Asian markets, including Thailand. This expansion will require additional funding to support effective sales and marketing efforts, which are crucial for establishing a strong business network. Furthermore, as the Chip Production Business is currently in its startup phase, the Group recognises the importance of increasing market share for long-term sustainability. Therefore, it plans to allocate further resources to sales and marketing efforts to support the growth and viability of this segment. It is anticipated that the funding will be fully utilised on or before the 2nd quarter of 2026.

The General Working Capital

Regarding the General Working Capital, the allocation is as follows: (i) approximately HK$19.12 million will be designated for rental costs, directors' remuneration, and staff expenses; (ii) approximately HK$62.16 million is earmarked for the expansion of the Group's motor vehicle business network into Thailand. Of this total, 70% (approximately HK$43.51 million) will be invested in purchasing additional electric motor vehicles to enhance rental income generation; and the remaining 30% (approximately HK$18.65 million) will be allocated for establishing facilities to improve customer support and for acquiring the necessary equipment for repairs and maintenance to accommodate the expansion of the motor vehicle fleet; and (iii) approximately HK$14.34 million will be allocated for legal and professional fees, consultancy services, and other administrative expenses incurred in the course of daily operations.

The Directors would like to announce that the Group is committed to identifying potential targets for mergers, acquisitions, or strategic investments throughout the year, within a twelve-month period following Completion. If suitable targets are identified, the Group may consider reallocating a portion of its cash resources, which are currently assigned to the motor vehicle business, to meet funding requirements related to business development or investment opportunities. In such cases, the Company will issue a formal announcement to disclose any changes to the utilization of Net Proceeds, in accordance with the relevant Listing Rules. Furthermore, if these actions generate implications under Chapter 14 and/or Chapter 14A of the Listing Rules, the Company will ensure compliance with all necessary notification, announcement, circular, and shareholder approval procedures as outlined by the Listing Rules.

The Directors would like to provide clarification regarding the Group's strategic initiatives in Thailand. In pursuit of expanding its market presence, the Group plans to place additional orders for electric vehicles to address the increasing demand in the region. The Directors believe that maintaining a robust reserve of cash resources will provide the Group with the necessary flexibility to respond promptly and effectively to any future funding requirements that may arise in relation to business development.

The Directors wish to clarify that the Group's cash resources are presently maintained at the subsidiary level and are designated for business operations. As the Group continues to expand, particularly within the motor vehicle sector, the materialized Chip Production Business, and the Hair Product Business, it is anticipated that additional management and administrative expenses will be incurred. Therefore, in light of the ongoing expansion efforts, the Group plans to allocate further funding to effectively address these needs while continuing to support our growth initiatives. It is anticipated that the funding will be fully utilised on or before the 2nd quarter of 2026.

The Directors would like to clarify that, except in circumstances where financial or strategic investors may be required to support or collaborate on business development initiatives to increase the Company's value, the Company does not plan to downsize, cease operations, or dispose of any of its existing businesses within the next 12 months. Should such circumstances arise, the Company may need to consider divesting a portion of its equity interest in specific operating subsidiaries. However, if divestment is contemplated, the Directors will ensure that the Company retains at least 50% control over the principal operating subsidiaries that significantly contribute to the Group's turnover.

In addition, the Directors would like to highlight that, as of this announcement, the Company has no plans or decisions to downsize, cease, or dispose of its existing businesses.

ADDITIONAL REASONS AND BENEFITS OF THE PLACING

The Directors would like to announce that when determining whether to proceed with the Placing, the Board has considered the following key factors:

(i) the Directors have considered the uncertainties related to trade restrictions, which pose challenges for customers reducing orders in the motor vehicle sector. Although most of the Group's revenue comes from Singapore, U.S. trade restrictions may increase supplier costs and disrupt the supply chain, potentially raising product prices and limiting inventory. This uncertainty has also dampened consumer sentiment towards luxury good purchases, including motor vehicles.

    To address these challenges, the Directors are focused on proactive planning and exploring business opportunities with promising returns to maintain long-term financial performance. The Group's management team is identifying investment opportunities in growth industries like artificial intelligence and clean energy, conducting thorough analyses to support informed decision-making before taking further steps;

(ii) the Directors comprehensively reviewed the Group's current cash resources. It is noted that all of these funds has been allocated to the Group's existing motor vehicle business. This careful allocation ensures the Group is prepared to handle unforeseen circumstances, safeguarding operational continuity. If the Company decides to proceed with the investment and expects a return, it will be necessary to raise additional capital;

(iii) the Directors conducted a comprehensive review of the closing Share price performance from January 2025 to the date of the Placing Agreement. The Directors noted that the closing Share price peaked in May 2025. After discussions with the Placing Agent, the Directors concluded that setting the Placing Price at HK$4.30 per share is favourable to the Company;

(iv) the Board has considered other fund-raising methods, including bank borrowing, rights issue, and open offer, before resolving the Placing. The Directors believe that the Placing is generally a more suitable option for raising additional capital for the following reasons:

    (a) less documentation is typically required for the Placing than rights issue or open offer;

    (b) arranging the Placing generally takes less time than a rights issue or an open offer, typically three weeks as compared to the three months required for a rights issue or open offer; and

    (c) the Company faces challenges securing underwriters due to the recent high volatility in the closing Share price.

Additionally, shareholder participation uncertainty exists due to the lack of substantial shareholders. When evaluating debt financing options, several critical considerations should be addressed: (i) engaging in debt financing may result in increased financial costs and a higher gearing level, which could impose additional financial pressure on the Group; (ii) debt financing typically involves the pledge of assets and/or securities, which may restrict the Group's ability to effectively manage and deploy its assets, thereby limiting operational flexibility; (iii) the process often entails extensive due diligence and negotiations, making it both uncertain and time consuming to secure borrowings at acceptable finance costs with favorable terms and conditions.

After considering the abovementioned factors, the Directors believe that the Placing is fair, reasonable and in the interests of the Company and its Shareholders.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus (the "**Prospectus**") issued by the Company on 22 November 2024 in relation to a rights issue on the basis of four (4) rights shares for every one (1) share held on the record date (the "**Rights Issue**"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

As disclosed in the Prospectus, the net proceeds of the Rights Issue to be received by the Company after deducting all estimated expenses payable by the Group and assuming full acceptance of the Rights Issue and no new Shares will be allotted or issued on or before the Record Date are estimated to be up to approximately HK$170.68 million. The Directors plan to use such proceeds as follows:

(i) approximately 70.0% or HK$119.48 million will be used for the expansion of the Group's motor vehicle business network into Thailand;

(ii) approximately 10.0% or approximately HK$17.07 million will be used for the development of the AEM Business;

(iii) approximately 10.0% or approximately HK$17.07 million will be used to expand the Group's sales and service network and marketing, and enhance its brand awareness; and

(iv) approximately 10.0% or approximately HK$17.06 million will be used for the Group's general and corporate administrative purposes, including but not limited to directors' remuneration, wages and salaries, external sales commissions, legal and professional fees and rental expenses.

Due to the reasons stated in the subsection titled "Update on the Joint Venture" under the section "The AEM Business", the Company completed the Equity Transfer. After that, the Group revised its investment strategy from an equity-based approach to a debt-oriented one. As a result, the Company provided financial assistance of HK$17 million to Infinity Energy Solutions Ltd. using proceeds from the Rights Issue. According to the Prospectus, these proceeds were originally intended to develop the AEM Business through an equity investment in a joint venture. Consequently, the allocation of proceeds from the Rights Issue has been adjusted as described above (the "**Change in Use of Proceeds**").

Save as disclosed above, there is no other change in the use of proceeds from the Rights Issue. The Board considered that the above Change in Use of Proceeds will not have any material adverse impact on the Group's operations and is in the best interests of the Company and its Shareholders as a whole.

Non-compliance with Listing Rules

The Directors wish to clarify that the oversight in notifying Shareholders and potential investors of the Company regarding the Change in Use of Proceeds was unintentional. The Board had a misunderstanding regarding the nature of the investment continuity in the AEM Business, which led to the omission of the disclosure in accordance with the applicable Listing Rules. In response to this matter, the Company has taken corrective measures to ensure that similar situations do not arise in the future.

Remedial actions

The Board would like to express its sincere regret for the unintentional non-compliance with the Listing Rules. The Board would like to clarify that this oversight was not deliberate, and it is committed to providing all relevant information regarding the Change in Use of Proceeds to the public without reservation. To prevent similar situations in the future, the Company has implemented the following remedial measures:

(a) the Company has provided and will continue to strengthen the training provided to staffs in the finance department and reinforce their existing knowledge relating to the continuous obligations under the Listing Rules;

(b) with the assistance of the finance adviser and legal advisers, the Company further understands the circumstances leading to a change in use of proceeds and strengthen their understanding to identify the circumstances which are expected to trigger the announcement requirement under the Listing Rules and potential problems at an early stage to avoid the recurrence of such matters;

(c) the Company has circulated a detailed guideline relating to continuous obligation under the Listing Rules as of the date of this announcement; and

(d) the Company will work more closely with its internal legal and compliance department on compliance issues; and shall, as and when appropriate and necessary, consult other professional advisers before entering into any potential corporate actions.

Saved as disclosed above, all other information as set out in the Announcements remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcements.

By Order of the Board
Guan Chao Holdings Limited
Tan Shuay Tarng Vincent
Co-chairman and executive Director

Hong Kong, 11 July 2025

As at the date of this announcement, the Board comprises Mr. Tan Shuay Tarng Vincent, Mr. Zhang Xiaoyang, Ms. Ng Hui Bin Audrey, Ms. Beng Lee Ser Marisa and Mr. Jin Zhehui as executive Directors; and Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Wu Qing as independent non-executive Directors.

For this announcement, amounts in RMB are translated into HK$ based on HK$1 = RMB0.91 and amounts in US$ are translated into HK$ based on US$ = HK$7.75. The conversion rates are for illustration purposes only and should not be taken as a representation that RMB and US$ could be converted into HK$ at such a rate or at all.

* *for identification purposes*